

GUIDE TO TERMS & UNDERWRITING CRITERIA

RESTRICTED TO INTERMEDIARIES ONLY

INTERMEDIARY CONTACT AT HINCKLEY & RUGBY BUILDING SOCIETY

For product information, general information, lending enquiries and information about procurement fees, please contact a member of our Business Development team on 01455 894084 or by email to development@hrbs.co.uk

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1. TREATING CUSTOMERS FAIRLY

The Product Terms (which are available for use by your customer) are contained in the Key Features of the product as displayed in the general public section of our website.

You must ensure that you fully understand the product terms before advising your customers, to determine whether the product fits with the customer's needs and risk appetite.

If you have any doubt as to the nature of the product offered by us you must contact us.

The Society's target audience for all of the Society's mortgage products is for customers aged 21 or over who are remortgaging or are second time buyers.

The Society will consider applications from first time buyers who are aged 21 or over and who are financially aware, and we will also consider residential applications involving parental guarantees, please refer to 'Guarantors' in section 9 (Affordability) of this guide.

2. MORTGAGE PRODUCTS & PRODUCT FEES

The current lending terms in this section must be read in conjunction with our current product guide and individual product key features leaflets, all of which are shown in this website.

If there are any points about our products that you are not sure about, please contact us to discuss these.

Product Fees

Any Arrangement fees and Property Assessment Fees must be paid when submitting an application. These will not be deducted from the Advance.

Some of our products have a Completion Fee. Product Guides and Key Features Leaflets will show where this is applicable.

Applicants may choose whether they prefer to pay the Completion Fee to the Society before the release of the mortgage advance or whether they wish to add this to the loan.

If Borrowers choose to make a separate payment for a Completion Fee prior to release of the mortgage advance, cleared funds must be remitted to the Society some time before the scheduled completion date.

Alternatively an applicant may elect to add the Completion Fee to the mortgage advance, subject to the upper loan to value product limit, and the Society will deduct the Completion Fee from the total agreed advance.

Applicants who wish to add the fee to the loan must confirm this in the Mortgage Application form. If no election is made in the application form to add the fee, the Completion Fee will not be added to the loan and must be paid by the applicant prior to completion.

If the Completion Fee is added to the loan, the borrower may make a separate payment for this without any early repayment charge, at any time after the start of the mortgage.

If the borrower chooses not to make a separate payment for the Completion Fee either before or after release of the mortgage advance, any Completion Fee that has been added to the loan will be repaid over the term of the loan.

3. HINCKLEY & RUGBY LENDING AREA – ENGLAND & WALES

The Society will consider applications for the purchase or remortgage of residential property throughout England and Wales.

The Society is unable to consider applications for properties in Scotland, Northern Ireland or the Isle of Man.

For residential owner-occupier applications, the subject property will normally be the applicant's main residence. Please refer any proposed application where this will not be the case.

4. LTV LIMITS, MAXIMUM AND MINIMUM ADVANCE LIMITS

The maximum LTV varies depending on the terms of different products. Please refer to our Product Guide and Key Features for individual products, for the upper limit of each product.

In addition to specific product terms, the following general limits will apply to residential owner-occupier mortgage applications.

LTV LIMIT	ADVANCE LIMIT
95%	£275,000
90%	£300,000
85%	£325,000
80%	£375,000
75%	£425,000
70%	£475,000
65%	£650,000
60%	£1,000,000

Minimum advance amount

Minimum advance for all mortgage products is £75,000

5. MORTGAGE TERM & TERM INTO RETIREMENT

Normal maximum term is up to 35 years depending on age of applicants.

Minimum term is 5 years. If you have reason to believe that the mortgage may be required for a shorter period, you should contact us to discuss this before submitting an application.

Mortgage term extending beyond the applicant's retirement date

The mortgage term should normally end before the borrower's stated retirement date.

If requesting a term that will extend more than 6 months beyond the borrower's anticipated retirement date, evidence of affordability after retirement will be required.

The term of the mortgage must usually not extend beyond the applicant's 75th birthday

6. REPAYMENT TYPES

The default position is that Residential owner-occupier applications will be processed on a Capital & Interest Repayment basis, unless Interest-Only is specifically requested.

Interest-Only will be considered for owner-occupier applications up to a maximum of 60% LTV.

Applications split on a Part Interest-Only & Part Repayment basis will be considered up to an overall maximum LTV of 80%, with the Interest-Only part not exceeding 60% LTV.

The only form of Mortgage Repayment Vehicle (MRV) that the Society will accept is sale of property/properties in England or Wales, owned in the same names as the mortgage applicants, and not used by the applicants as their main residence.

There must be sufficient current equity in the property/properties to cover the Interest-Only part of the loan.

Applicants will be required to provide confirmation, in the mortgage application form, of the MRV and the equity in the England or Wales property/properties.

You will be required to provide confirmation in the Society's Mortgage Intermediary Declaration of the England or Wales property/properties, sale of which will be the capital repayment strategy, and the current unencumbered equity in the property/properties.

Interest-Only on Buy to Let Mortgages

Please refer to the separate Buy to Let section (15) in this Guide.

7. REMORTGAGES

The applicant(s) must have owned the property to be mortgaged for a minimum of 12 months at the time of submitting the application. Applicants will be required to confirm in the application form, the date of their purchase and the price they paid for the property.

Capital raising applications will be considered within the LTV scale shown in section 4 up to a maximum LTV of 80%, subject to full disclosure in the application form of all capital raising purposes. Capital raising to buy a further share of equity in the property to be mortgaged, for example to buy out a joint borrower or final share of a shared ownership or Help to Buy property, will be considered to 95% LTV.

Where the loan purpose is for the clearance of other debts, affordability will be assessed on the current commitments based on the total indebtedness at the time of the application or alternatively, if feasible, the debt repayment funds will be payable directly to the creditor. Depending on the types of other debts being repaid, applicants may be required to obtain independent legal advice. For the purposes of product selection, the product selected must be from the Tailored Approach range if it is necessary for the Society to make part of the advance monies payable to creditor(s).

Where the loan purpose is for home improvements we will consider higher percentage applications subject to funds being released in up to 2 stage payments resulting in LTV not exceeding 80% (or other LTV limit as described in section 4) of the confirmed value at any time. Reinspections will be required when a stage payment is requested and when the works are complete, for which there are fees payable. For the purposes of product choice, the LTV would then be classed as not exceeding 80%

8. PROPERTY TYPES, PROPERTY ASSESSMENT & PROPERTY ASSESSMENT FEES

The Society will accept applications for advances on private dwelling houses of varying types, from terraced houses to detached properties, including leasehold flats, providing they are in the category of Standard Construction.

Standard Construction

The standard type of construction that is acceptable to the Society will normally be cavity brick or block wall type of construction with a tiled or slated pitched roof having suspended timber or concrete ground floor with timber joists for the first floor

Brick or block clad timber frame properties will also be acceptable to the Society provided that they have been erected in accordance with the accepted principles of timber framed construction. The Society will rely on an independent valuer's report to confirm this.

Non-Standard Construction

Refer any application for non-standard construction property for consideration on an individual case basis.

New Build Properties

a. Sales incentives

Builder/Developer sales incentives must be disclosed in the 'Material Information' section of the Mortgage Application Form. The value of sales incentives will most likely influence the mortgage valuation of the property and therefore may impact on the maximum advance available.

The CML Lenders Handbook (H&RBS - 6.4.4) requires the solicitor acting to report all sales incentives.

b. New build loan LTV limit

The maximum LTV for new build houses and flats is 90%.

Please refer details of all newly converted flats prior to submitting an application.

c. New build warranties – Properties less than 10 years old

The following acceptable new build warranty schemes are listed in section 6.7.1 of the HRBS entry in the CML Lenders Handbook.

NHBC, Zurich Municipal (up to 30/09/09), Premier Guarantee, Building Life Plans, LABC, Castle 10, & Build Assure. Other schemes may be referred for consideration on an individual cases basis.

See section 16 of this guide for additional requirements for self-build properties.

d. New build properties – Re-inspections

A reinspection may be requested by the independent valuer for all new build properties which are not fully completed at the time of the initial inspection, for which a fee will be charged as outlined in the current Tariff of Mortgage Fees. This fee will be deducted from the mortgage advance monies.

Leasehold Properties

There must be at least 85 years remaining on the lease when the mortgage starts, and a minimum of 50 clear years remaining on the lease at the end of the mortgage term.

The Society's basic legal requirements for leasehold properties are described in the Society's entries in section 5 of parts 1 & 2 of the CML Lenders Handbook (cml.org.uk/cml/handbook).

Purpose Built or Converted Flats

Must be Leasehold with appropriate lease arrangements for the management of the property as a whole.

Refer if in a block of more than 6 storeys.

Leasehold flats created by the conversion of larger properties will be considered subject to adequate valuation and acceptable lease arrangements.

For converted flats resulting from the conversion of a single private dwelling house, it is strongly recommended that you check before submitting any application that the lease and independent incorporated management company arrangements meet all of the requirements detailed in the Society's Part 1 & Part 2 entries in sections 5.14 and 5.15 of the CML Lenders' Handbook (cml.org.uk/cml/handbook). If an offer of advance is made, the solicitor acting in the creation of the charge will be required in all cases to confirm compliance with these requirements.

Properties we will not normally consider

Maisonettes, flats above commercial premises, flats in former local authority high rise blocks, freehold flats, problematic inner city new build developments, properties with more than one kitchen, properties designed or converted for multiple occupation.

Property Assessment & Property Assessment Fees

In all cases, the Society instructs its Panel Manager to arrange for an independent local ARICS qualified valuer to carry out an assessment of the property for mortgage purposes only.

Applicants must be informed that this assessment of the property is for the sole purpose of determining the amount of mortgage the Society may consider lending against the security of the property. Purchase applicants should be advised to obtain their own property survey.

The type of Property Assessment the Society requires will vary with the type of mortgage application.

For all property purchase and BTL remortgage applications, the property assessment will normally be by standard mortgage valuation based on a brief inspection of the property.

For residential remortgage applications (up to 80% LTV), the property assessment will normally be by Drive-By valuation, as long as the property is sufficiently visible from the road. Additional fees will be payable if the valuer is unable to provide a Drive-By valuation, or other types of property assessment are necessary.

Please refer to Product Guides and Key Features leaflets for details of the Property Assessment Fees that are payable. Any property assessment fee must be paid at the time of submitting an application to the Society.

The Society will rely initially on the information provided in the mortgage application form, and will issue property assessment instructions as soon as practicable after receipt of the mortgage application form. It is not possible to underwrite the application before issuing property assessment instructions.

Once the property assessment has been completed, the property assessment fee cannot normally be refunded.

9. AFFORDABILITY ASSESSMENT - MAXIMUM INCOME MULTIPLIERS

The following income multiples are used as an initial guide to the maximum amount of advance that may be considered. A full net income and lifestyle expenditure analysis will be undertaken based on information received with the mortgage application form.

- | | | | |
|------|-------------------------|---|---|
| i. | Single applicant | - | up to a maximum of 4.00 x income |
| ii. | 2 joint applicants | - | up to a maximum of 4.00 x joint income |
| iii. | 3 or 4 joint applicants | - | up to a maximum of 4.00 x main income plus 1.00 x each other income |

The Income Multipliers will be based on the applicant's annual income - £GBP confirmed for UK tax purposes after deducting the annualised value of other commitments (12 x monthly payments or 3.50% x 12 of credit card debts). Please note that we are unable to consider applications where any part of the applicants' incomes is paid outside the UK and/or in any currency other than £GBP.

Our full affordability assessment will take into account the applicant's net earned income and their expenditure analysis that is required in the mortgage application form.

Employed applicants

In some cases we write directly to the applicant's employer for confirmation of their employment and income.

The employer will be asked to confirm that the applicant meets the following basic requirements, in addition to providing confirmation about earnings and other aspects of the employment:

- Have been in their current employment for at least 3 months.
- Be in a permanent position, not temporary.
- Not be in a probationary period.
- Not be under notice of termination or redundancy.
- Not be subject to disciplinary proceedings.
- If in current employment for less than 6 months, applicants must have previously been in the same type of employment with no employment gap, and an employer's reference will normally be required.

The following will **not** normally be considered:

- Seasonal employees.
- Commission only sales staff.
- Applicants wholly dependent on state benefits.

In addition to confirmed basic income, we will include the following additional confirmed earnings in our affordability assessment:

Guaranteed shift allowance, Large town allowance, Mortgage Subsidy, Car Allowance and up to 50% of other additional confirmable employment related income such as regular or guaranteed overtime and bonuses.

Please remember to enclose certified copies of the three most recent Payslips and latest P60.

Please refer all cases whereby income from employment is likely to change in the foreseeable future, for example applicants undertaking maternity or paternity leave, for individual consideration.

Self-employed applicants

Self employed applicants must state in the mortgage application form their UK taxable income for each of the last 3 tax years. In addition, the Society may require confirmation of taxable earnings to date in the current tax year.

We will require details in the mortgage application form of the applicant's accountant from whom we will request confirmation of earnings and any other necessary income details together with certified copies of the last 3 years' audited accounts, and the corresponding HMRC tax assessments or SA302's, unless these have been submitted with the completed mortgage application form.

For the purpose of confirming income of self-employed applicants' acceptable accountancy qualifications include the following: Chartered Accountant (ACA/FCA), Management Accountant (ACMA/FCMA), Certified Accountant (ACCA/FCCA), & Institute of Financial Accountants (IFA). Refer other types of accountancy qualification for individual consideration.

The Society will normally assess affordability on income declared to, and agreed with HMRC for tax purposes, and in some cases it may also be necessary to obtain confirmation of current income.

Please note that retained profits are not included as income for the purpose of our affordability assessment.

Contract workers

We will not normally consider applications from short term/zero hours contract workers.

For longer term contracts, for example minimum of one year where there has been at least one renewal and the employer confirms reasonable permanency of employment, affordability will be assessed on the current income from the contract.

Other forms of income

Unearned income and state benefits are not normally included in our affordability assessment. Refer cases for consideration on an individual basis.

Mortgage Term extending beyond the applicant's retirement date

If requesting a term that will extend beyond the borrower's anticipated retirement date, evidence of affordability, for example confirmed pension income after retirement will be required.

The term of the mortgage must usually not extend beyond the applicant's 75th birthday.

Guarantors and Joint Borrower, Sole Proprietor arrangements

A guarantee may be considered, subject to all parties meeting the Society's lending criteria. The maximum LTV is 90%.

Alternatively, mortgages may be arranged on a Joint Borrower; Sole Proprietor basis where one of the joint borrowers is not going to be a co-owner of the property, ie to increase the borrowing capacity of close family members through a joint mortgage. Residential mortgages on this basis are available to 95% LTV and we will also consider buy to let mortgages to 75% LTV.

The applicants must clearly state the requirement for this arrangement and the name of the sole property owner(s) on the application form in the 'Additional and/or Material Information' section.

Up to 4 applicants will be considered.

The borrower who is not named on the Title should sign an 'Occupiers Agreement to Mortgage' deed if they will also occupy the property. All borrowers must sign the mortgage deed.

All borrowers not named on the Title will be required to obtain independent legal advice. Release of the advance will be subject to the receipt of the Society of confirmation that the advice has given by the solicitor, in the Society's prescribed format.

All potential applications must be referred by telephone for a decision in principle prior to submission. Funds for advances over 80% LTV are limited and the facilities may be withdrawn with little or no notice.

For the purposes of product selection, the product selected in all instances must be from the Tailored Approach range.

Pay-Day loans

Applicants with recent Pay-Day loan history will not normally be considered.

Acceptable sources of deposit

Our preferred deposit sources are equity from the sale of an existing property or accumulated savings, the origins of which can be clearly demonstrated.

We will also consider gifted deposits from family members upon production of a letter from the donor confirming that the monies are not repayable.

Gifted equity from a family member may also be acceptable providing that the LTV does not exceed 80% of the confirmed value of the property. In this instance, the product selected must be from the Tailored Approach range.

Unsecured borrowing is not acceptable.

Please refer all other deposit sources before submitting an application.

10. CONFIRMATION OF IDENTITY AND UK RESIDENCY FOR THE LAST 3 YEARS

To comply with our credit referencing requirements and money laundering procedures, we require a minimum of 3 years continuous residency in the UK up to the time of the application, confirmed by entry on the Voters Roll at current and previous addresses, together with your certification of having seen and recorded details of the applicant's current UK Driving Licence or current UK passport with additional forms of identity confirming addresses.

Non-EEA Foreign Nationals

For applications to be considered, indefinite leave must be evidenced by a stamp in a currently valid passport or written confirmation from the Home Office. The Society does not lend to non-EEA nationals without indefinite leave to remain in the UK or permanent residency status.

These specific requirements are in addition to the already explained standard evidenced 3 years' UK residency at the time of the application.

11. CREDIT REFERENCE

A clear credit reference is required in all cases together with evidence of a satisfactory payment record on all current or previous mortgages, loans, and credit and rental agreements.

We will not normally consider applicants with any record of adverse payment or credit history.

All credit arrangements must be disclosed in the mortgage application form including those relating to interest free arrangements and credit cards that are cleared each month.

We may request a certified copy of the latest full statement for the applicant's existing mortgage if we are unable to locate the mortgage account in our credit search.

12. OTHER OWNED PROPERTIES/PROPERTIES IN THE BACKGROUND

The Society will not take into account for affordability purposes the monthly mortgage payment of any buy to let properties in the background providing that they are tenanted at the time of application, with at least 135% rental income coverage. In all other instances, the annualised mortgage payment will be deducted from the assessable income before the application of the relevant income multiple.

If the possibility exists that a retained property will be sold in the short term and has sufficient equity to repay our loan or reduce it significantly, we may make a commercial decision not to proceed with the application or delay the payment of any procurement fee.

Please refer all cases, including cases potentially exceeding 80% LTV. The Society will not lend at above 80% LTV in instances where a property in the background also has a LTV of higher than 80% or where there is more than one retained property.

13. SECOND HOME MORTGAGES

The Society will consider lending for both remortgages and purchases on second residential homes for personal use such as homes located nearer a workplace for part-time occupation by the borrower and private holiday homes. The maximum LTV is 80%.

The Society will also consider lending for both remortgages and purchases on second residential homes used to house dependent relatives. Release of the advance monies will be conditional on the family member(s) obtaining independent legal advice regarding their rights of occupation and certification from the legal adviser in the Society's prescribed format that this advice has been given will be required.

There must be no tenancy created or in place, and the occupier must pay no rent or any other financial consideration to the borrower in respect of occupancy of the property. The maximum LTV is 75%.

In all instances, affordability will be carefully assessed taking into account all mortgage payments and the associated costs of running more than one household. The product selected must be from the Tailored Approach range.

Free standard administration or legal fees for remortgages will not apply to second home mortgages. Please see section 14 of this guide for confirmation of the eligibility criteria for entry onto the Society's Mortgage Panel.

14. SOLICITORS/LICENSED CONVEYANCERS ACTING FOR THE BORROWER

If the mortgage application is for House Purchase, for a Remortgage involving any Title change, or for any Let or Buy-to-Let property, applicants are required to provide details in the mortgage application form of the firm of Solicitors or Licensed Conveyancers who they intend to instruct to act on their behalf.

Before instructing any Solicitor/Conveyancer to act, it is strongly recommended that you and/or the applicant check that their choice of Solicitor/Conveyancer is eligible to act also for the Society.

You can check if the applicant's proposed choice of solicitor is eligible to act also for the Society by contacting LMS Ltd, the Society's Solicitor Panel Manager, by telephone: 0343 221 0643, by email: lenderpanels@lms.com, or by visiting: lms.com/lenderpanels.

You should ensure that the applicant is made aware that if their choice of Solicitor/Conveyancer is ineligible for entry onto the Society's Mortgage Panel, it will be necessary for the Society to instruct its own solicitors to act for the Society only, in which case two sets of Solicitor's or Conveyancer's costs will be incurred, and the applicant will be responsible for paying these.

15. BUY TO LET MORTGAGES

In addition to underwriting requirements described in this guide and in our Buy to Let product information, the following criteria apply.

1. The applicant must be an existing residential homeowner in England or Wales.
2. The maximum the Society will lend depends on the interest coverage ratio (ICR) using the rental income expected to be derived from an AST on an unfurnished basis and/or an income affordability test.

The mortgage will be considered to be self-supporting if the ICR is at least 145% of the monthly payment at an assumed reference rate, currently 5.5%. The exception to this is for five-year fixed rate mortgages (where available), for which the ICR requirement is 145% at the product pay rate.

If the mortgage is not self-supporting at the stressed rate, the shortfall in the rental income received and the rental income required in order to be self-supporting must be covered by the borrower's personal income using a net free pay calculation which takes into account net income, personal expenditure, the residential mortgage payment at an assumed stressed rate and any deficit from rental income from any other BTL properties, also at an assumed stressed rate.

In all instances where personal affordability is being considered alongside the rental income, the ICR must equal or exceed 145% at the product pay rate.

Joint borrower/sole proprietor applications may be considered – please see page 6 for more details.

For the purposes of product selection, applications which are not self-supporting at the stressed rate or which are Joint Borrower/Sole Proprietor mortgages are eligible only for the Tailored Approach BTL range.

Please refer all non self-supporting potential BTL applications by telephone prior to submission.

3. Underwriting will be based on information provided in the mortgage application form and supplementary Buy to Let questionnaire, together with satisfactory identification and references.
4. The maximum loan that the Society will consider is dependent upon the scheme, the price or current value of the property and the loan to value ratio as described in the mortgage product description. Please refer to the details of our current Buy to Let products.
5. Up to 3 Buy to Let mortgages may be held with the Society by any borrower, subject to an aggregate loan limit of £500,000. Applicants must not have more than 10 Buy to Let properties with all lenders, including those mortgaged to the Society. In addition to specific product terms, the following general limits will apply to Buy to Let mortgage applications.

LTV LIMIT	ADVANCE LIMIT
75%	£300,000
70%	£350,000
65%	£400,000
60%	£500,000

6. The Society will only accept property that is, or will be let on an Assured Shorthold Tenancy with a term not exceeding 12 months, to a sole occupier or single-family unit unrelated to the applicant. The Society will not consider RMC BTL/LTB applications.
7. We will not normally consider the following types of property for mortgage purposes. Single Houses converted into two flats, flats above commercial premises, flats in high rise blocks, freehold flats, some inner city new build developments, properties with more than one kitchen, properties designed or converted for multiple occupation.
8. If remortgaging, the applicant must have owned the property for a minimum of 12 months.
9. Interest-Only applications are acceptable up to the individual product LTV limit, subject to details of the proposed Mortgage Repayment Vehicle (MRV) being provided in the mortgage application form. The MRV must be plausible and feasible to ensure repayment of the capital by the end of the mortgage term e.g. sale of BTL property.
10. The applicant's age must not usually exceed 75 at the end of the mortgage term.
11. The applicant must be able to prove taxable earned income of at least £25,000 per annum.
12. Applications are not accepted from applicants intending to convert their existing residential property to a let property (Let To Buy application), nor from applicants who have inherited the property to be let or who have ever occupied the subject property on a residential basis, (eg, Consumer BTL) unless the applicant is an experienced landlord with another BTL property at the time of application.
13. We are unable to consider BTL remortgage applications where any element of the required advance is for debt consolidation or for capital raising unrelated to residential property purchase or improvement.

16. SELF-BUILD MORTGAGES

i. Self-Build mortgage product

Self-Build mortgage applications will only be considered on a currently available Self-Build mortgage product.

Please refer to the current list of available mortgage products advertised on the Society's website, and to the specific terms of any available Self-Build mortgage product. Early Repayment Charges apply from the release of the first stage payment. Following the release of the final stage payment a product switch onto our core range of residential products will be available, with the remaining Early Repayment Charges being transferred to the new product.

Please refer to the product guide for full details of the Early Repayment Charge.

If there is no specific Self-Build mortgage product currently advertised, this means that the Society is not currently considering Self-Build mortgage applications.

ii. Plans, estimates and planning/building consents

The Society requires plans that have been drawn up by the supervising Royal Institute of British Architects (RIBA) qualified architect to be presented with the mortgage application, together with fully costed building specifications and evidence of all necessary planning and building consents.

iii. Stage payments

The applicant must already own the land. Confirmation of the price paid for the land must be provided with the mortgage application. The Society will not lend against the security of land alone.

Work must have progressed to at least the first stage listed below, before any part of the agreed advance can be released.

Subject to approval of the application, the Society will release the agreed advance in up to four separate equal stages, as follows:

- 1) When the footings have been put in
- 2) When the first-floor joists are in place (wall plates in the case of a bungalow)
- 3) When the roof is fully fitted
- 4) When the property is completed

At each of these stages, the maximum the Society will advance is 25% of the total agreed advance, which must not exceed 80% of the lower of value on completion and the total costs of building plus the cost of the land or other lower LTV limit depending on the maximum advance and LTV scale shown in the Self-Build product literature.

Before each stage is released, the Society will require the building progress to be re-inspected by the valuer appointed by the Society.

Applicants will be responsible for payment of all re-inspection fees, in addition to the cost of the initial mortgage valuation.

iv. Self-Build new property warranty

The Society will normally require that the property has been planned, constructed and completed under the supervision of a RIBA qualified architect who is registered with the Architects Registration Board and who is currently active in the field of residential development, and acting under the direct instructions of the mortgage applicant for whom the property is being constructed.

The Architect must have PI insurance of the greater of either the value of the property or £250,000.

RIBA interim certificates from the architect, confirming that building to date has been carried out to a satisfactory standard must be produced to the Society at the time of each stage release request. On request for the final stage payment, on completion of the property, an RIBA certificate of satisfactory completion must be produced to the Society.

v. Mortgage payments

Interest charges will commence on legal completion of the mortgage, following release of the first stage payment. Pro-rata mortgage payments will be required from the month following the month of completion, in addition to a payment for 'broken interest' (interest for the month in which the stage payment is released).

Payments will be adjusted following each further stage payment release, and further 'broken interest' payments will become due following each stage release.

Further stage payments will not be released unless all due monthly payments and broken interest payments have been received.

17. CHECKLIST OF DOCUMENTS REQUIRED WITH MORTGAGE APPLICATIONS

For all mortgage applications we will require the following supporting documentation:

- Fully completed and signed mortgage application form
- Fully completed and signed Intermediary Declaration and Checklist
- Introducer letterhead or compliment slip (for non-Privileged Partners only)
- Last three months' bank statements

For FTB house purchase applications we will also require:

- Evidence of deposit

For all employed applicants we will also require:

- Last three months' pay slips for employed applicants
- Latest P60 for employed applicants (two P60s if bonus or overtime is required as part of the affordability assessment)

For all self-employed applicants we will also require:

- Last three years' audited trading accounts
- Last three years' HMRC Tax assessments or SA302s

For all retired applicants we will also require:

- Confirmation of pension income
- P60

For self-build applications we will also require:

- Property plans/planning consents/cost estimates for self-build applications
- Details of the ARIBA qualified Architect who will act for the applicant in drawing up the plans and in the supervision of construction of the property

AS WE UNDERWRITE OUR MORTGAGES ON AN INDIVIDUAL BASIS ADDITIONAL SUPPORTING DOCUMENTS MAY BE REQUIRED ON OCCASION

Incomplete mortgage application forms and Intermediary Declaration & Checklist forms are the most frequent causes of delays in processing mortgage applications.

Please help us to process the application as quickly as possible by ensuring that all sections of forms are fully completed and all required documentation is enclosed.

18. POTENTIAL CONFLICT OF INTERESTS

You must refer for individual consideration any application you may wish to submit in your own name or on behalf of any member of your family.

19. CONTACT WITH MORTGAGE APPLICANTS AND INFORMATION FOR INTERMEDIARIES

i. Customer contact

The Society will contact your client by telephone to confirm initial receipt of the mortgage application form, and subsequently with text message updates.

If we require any additional information or documentation while processing the application we will contact you for this, unless you ask us to contact the customer directly.

ii. Information for Intermediaries.

You will be provided with a copy of any Mortgage Offer and any subsequent completion letter that we may issue to the customer.

The following information will be included in these documents:

- The Society's complaints procedure
- Tariff of Mortgage Charges
- Details on any product maturity